



# County of Los Angeles **CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN  
Chief Administrative Officer

Board of Supervisors

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Second District

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Third District

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MICHAEL D. ANTONOVICH  
Fifth District

November 19, 2002

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM (ALL-DISTRICTS AFFECTED) (3 VOTES)**

### **IT IS RECOMMENDED THAT YOUR BOARD:**

1. Authorize the purchase of commercial aviation hull and liability insurance through Aon Risk Services, Inc. (Aon) at an initial premium cost of \$2,733,379 subject to anniversary adjustments as may result from modifications of the County fleet or airports or changes in values, or insurance market conditions during the period January 1, 2003 to December 31, 2004.
2. Approve and instruct the Chairman to execute the attached three year Broker Services Agreement with Aon to administer the Airport/Aviation Hull and Liability Insurance Program for a commission not to exceed 10% of the total annual premium.
3. Instruct the Auditor-Controller to make payment for insurance premiums, adjustments, deductible amounts, related loss expenditures and for services under the Broker Services Agreement as invoiced and validated by the Chief Administrative Officer.

### **PURPOSE OF RECOMMENDED ACTION**





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In December 1999, the Board approved the purchase of commercial Airport/Aviation Liability and Hull Physical Damage insurance that provided third-party liability coverage for airports operated by the Department of Public Works and aircraft operated by the Sheriff and Fire Departments, and physical damage coverage for the entire County aircraft fleet including loss of use coverage for aircraft that are bond financed. We recommend the purchase of aviation insurance coverage and execution of the attached Broker Services Agreement with Aon to administer the Airport/Aviation Hull and Liability Insurance for a three year term commencing January 1, 2003.

### **Implementation of Strategic Plan Goals**

The purchase of this aviation insurance coverage and execution of the attached Broker Services Agreement is consistent with the County's Strategic Plan Goal of Fiscal Responsibility. This recommended insurance program will assist the County to effectively manage its resources by providing liability coverage to County owned airports and aircrafts, and physical damage coverage to the County owned aircrafts.

### **JUSTIFICATION**

The recommended insurance provides \$50 million in liability coverage and over \$68 million for hull physical damage coverage with a per aircraft deductible of 3.5% of value subject to a maximum of \$100,000. The recommended program provides the same coverage limits and similar policy enhancements as the expiring policy.

The Departments of the Sheriff, Fire and Public Works concur that the cost of commercial insurance coverage is modest in comparison to the potential severity of a liability loss or total destruction of a County aircraft which would be paid from the operating budget of these departments if this insurance was not obtained. The existing policy will expire December 31, 2002.

The Broker Services Agreement requires Aon to provide experienced and knowledgeable personnel to administer the insuring policies including assisting with any claims to assure the County is fully reimbursed for cost covered under this insurance program, and to affirm that the insurance continues to be provided by reputable and financially sound insurers at



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a cost effective premium.

### **FISCAL IMPACT**

The first year premium of \$2,733,786 is 4% higher than the expiring premium of \$2,618,296 and includes Aon's 10% commission. This 4% premium increase is very modest in light of reports of continuing significant premium increases to commercial airlines and other aviation companies and airport operators due to anticipated losses from the 9-11 Disaster. The premium in subsequent policy years will be subject to anniversary adjustments as may result from additions and deletions of aircrafts and properties from coverage or changes in values, or insurance market conditions.

### **FINANCING**

Funding for this program is included in the 2002-2003 Insurance Budget and will be charged to the respective operating budgets of the Fire, Public Works and Sheriff. Funds to pay for future policy premiums will be subject to appropriation by your Board.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The County is obligated to purchase commercial aviation insurance to comply with bond financing agreements. Under these agreements, the County is required to purchase loss of use coverage to ensure continuation of financing payments in the event the aircraft is damaged and unusable for an extended period.

### **CONTRACTING PROCESS**

Requests for Qualification and Conceptual Proposals (RFQ) were issued on July 1, 2002 to 46 firms, including at least three firms that have met the County's Community Business Enterprise (CBE) criteria. Notice was published in local newspapers and the electronic bulletin board linked to the Internet and maintained by the County Office of Small Business.



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The County's risk management consultant assisted in developing the RFQ and provided technical assistance to the evaluation committee.

The evaluation committee, consisting of representatives from the Departments of Fire, Public Works and Sheriff and a member of the County's Risk Management Advisory Committee, unanimously rated Aon's proposal the best of five proposals received. Attached is the Community Business Enterprise Information form for Aon.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

County aircraft are essential to the public safety services provided by the Sheriff and Fire Departments. Loss or damage to County aircraft(s) would significantly disrupt the effectiveness of the public safety services provided by these departments. This insurance program will assist to ensure the operation of County aircrafts by providing financial protection for third-party liability and physical damage to the County aircraft fleet.

Respectfully submitted,

DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:SNY  
DU:LS:lis

Attachments

c: County Counsel  
Fire Department  
Sheriff Department  
Department of Public Works



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# COUNTY OF LOS ANGELES



## AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM

### BROKER SERVICES AGREEMENT

**Issued: January 1, 2003**

**Prepared by:  
Chief Administrative Office (CAO)  
Risk Management Operations  
Delta Uyenoyama, Chief**



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**COUNTY OF LOS ANGELES**  
**AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

**BROKER SERVICES AGREEMENT**

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Exhibit A      Request for Qualifications and Conceptual Proposals (Not Attached)

Exhibit B      Statement of Qualification and Conceptual Proposal of Aon Risk Services  
(Not Attached)

Exhibit C      Bid Specifications (Not Attached)

Exhibit D      Quotation and Proposal of Aon Risk Services (Not Attached)



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

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### **BROKER SERVICES AGREEMENT**

This Agreement is made and entered into this 1st day of January, Two Thousand and Three, BY AND BETWEEN COUNTY OF LOS ANGELES, a body corporate and politic, referred to as "COUNTY" and Aon Risk Services, Inc. Of Southern California, a California corporation, referred to as "CONTRACTOR," doing business at 707 Wilshire Blvd., Suite 6000, Los Angeles, CA 90017.

#### **1.0 APPLICABLE DOCUMENTS**

This base document and the Exhibits listed below form the entire Agreement between the parties (throughout and herein after, the "Agreement") .

#### **EXHIBITS**

- A . . . . . Request for Qualifications and Conceptual Proposals (RFQ) to Renew County's Airport/Aviation Hull and Liability Insurance program released July 1, 2002.
- B . . . . . Statement of Qualification and Conceptual Proposal of Contractor dated August 5, 2002.
- C . . . . . Bid Specifications and Assignment of Insurance Markets dated August 26, 2002.
- D . . . . . Firm Quotes and Proposal of Contractor dated October 14, 2002.

Any conflict in the terms of the Agreement shall be resolved by giving preference first to this base document, then the Bid Specifications, Request for Qualifications and Conceptual Proposal of Contractor, and then the Firm Quotes and Proposal and Statement of Qualification and Conceptual Proposal submitted by Contractor.

#### **2.0 DEFINITIONS**

- 2.1 Broker of Record: The brokerage firm selected through a competitive RFP process to place coverage and administer a County insurance program for a designated period, also referred to as Contractor herein.
- 2.2 Commission: A percentage of the amount of the insurance premium to be paid to the Contractor as full compensation for the placement and on going administration of a County insurance program.
- 2.3 Insurance Premium: The amount due in one sum or periodically for an insurance policy.



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

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- 2.4 Policy Period: The period that the policy is in effect. Generally, the policy period is for a 12 month period (example: January 1 through January 1).

### **3.0 TERM**

- 3.1 The term of this Agreement shall commence on January 1, 2003 and shall continue in full force and effect until January 1, 2006.
- 3.2 In the event of expiration or prior termination of the term of this Agreement, Contractor shall fully cooperate with County to provide for the transition to whatever service replacement method County determines to be in its best interest.

### **4.0 OPTION TO EXTEND**

- 4.1 County shall have the option to extend this Agreement for one (1) additional one-year term. County Program Manager shall give one hundred and twenty (120) days prior written notice to Contractor of County's intention to exercise said option.
- 4.2 Notwithstanding the giving of such notice, any option to extend this Agreement shall be subject to approval by both County and Contractor, shall be executed by the Board of Supervisors and shall include the terms and conditions set forth herein.

### **5.0 COMPENSATION**

- 5.1 Contractor shall be compensated for all its services based on the commission(s) agreed to by the insurer(s). All invoices submitted to County Program Manager for payment of the policy premium and commission must identify these respective amounts. Contractor shall provide supporting documents/reports as required by County with invoice(s) for policy premium and commission.
- 5.2 Except as explicitly provided herein, County shall not be responsible for any taxes, fees or additional charges or compensation claimed by Contractor in addition to the payment of commission provided for herein. Contractor shall provide any supporting documents required by County Program Manager to approve the invoice and issue payment within 30 days of receipt of invoice or supporting documents. The commission shall not exceed 10% of the annual policy premium, and any commission in excess of this percentage amount will be rebated to the County by the Contractor.

### **6.0 COUNTY'S PROGRAM MANAGER**

County's Program Manager for this contract will be:



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

Delta Uyenoyama, Chief  
Risk Management Operations, CAO  
500 West Temple Street, Room 796  
Los Angeles, California 90012  
Telephone: (213) 974-1134  
Fax: (213) 633-4666

All work performed by Contractor under this Contract shall be subject to approval by the County's Program Manager or his designee (s), who shall be responsible for ongoing evaluation of Contractor's performance and have full authority to direct the Contractor in areas relating to procedural requirements and other matters within the purview of this Contract.

### **7.0 CONTRACTOR'S PROGRAM MANAGER**

Contractor's Program Manager shall be:

Richard Windebank, Senior Vice President  
Aon Risk Services, Inc.  
707 Wilshire Blvd., Suite 6000  
Los Angeles, CA 90017  
Telephone: (213) 630-3200  
Fax: (213) 630-3364

This manager shall be a full-time employee of Contractor, and any replacement of this manager shall be subject to written approval by the County's Program Manager. He or she shall have overall responsibility for the performance of Contractor's activities under this Agreement and shall be authorized to act for and bind the Contractor in all matters relating to the administrative aspects of this Agreement.

### **8.0 CONTRACTOR PERSONNEL**

8.1 The Contractor shall provide qualified personnel to perform work and provide deliverables as indicated in the RFQ and Contractor's Conceptual Proposal, dated August 5, 2002, and Contractor's Firm Quote and Proposal, dated October 14, 2002. The Contractor will ensure that its staff possesses the required professional licenses and certificates, if any, required by State of California, and a sufficient number of competent personnel to adequately perform Contractor's Services, as described in Section 9.0 herein, on a timely basis.

8.2 The Contractor shall provide County with two weeks notice (10 business days) of any proposed changes in the Contractor's assigned personnel. County reserves the right to require replacement of the Contractor's personnel. In each instance, the Contractor shall provide County Program Manager or his designee with a resume of the proposed replacement and an opportunity to interview the person prior to assigning a person to the project.



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

### **9.0 CONTRACTOR SERVICES**

Contractor shall provide the services required by County including but not limited to the following:

#### **9.1 Renewal of Coverages**

- 9.1.1 Design, market, obtain quotations, evaluate insurers' financial status and place required insurance coverage with financially secure companies.
- 9.1.2 Structure insurance programs to eliminate gaps or overlaps in policies and to provide the limits and coverages requested by County, to the extent such coverages and limits are available.
- 9.1.3 Remit all policy premiums to underwriters. County reserves the right to make premium payments directly to underwriters at County's sole discretion.

#### **9.2 Administration of Policy(ies)**

- 9.2.1 Review insurance binders, policies, certificates and other documents to ensure work is complete and accurate and to advise of and correct any deficiency or noncompliance.
- 9.2.2 Monitor insurer's financial status, advise immediately of any downgrading of insurer's financial status, evaluate impact to County and the actions to be taken to protect the County's interest.
- 9.2.3 Provide early warning of rate and coverage changes and analysis of probable impact on County's program.
- 9.2.4 Service each policy issued under this program to County. This includes, but is not limited to, processing all changes and endorsements and verifying the accuracy of invoices.
- 9.2.5 Prepare, issue and/or maintain, as appropriate, documentation such as Certificates of Insurance and insurance binders.
- 9.2.6 Provide a variety of periodic reports as required by County to enable analysis of coverages, compliance with insurance requirements and monitoring of claims and coverage limits. The reports shall include but not be limited to a listing of claims, allocation of premiums, listing of certificates issued, and others as indicated in County's RFQ.
- 9.2.7 Recommend methods or procedures that would more efficiently expedite the flow of information and documents.



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

9.2.8 Provide a stewardship report that chronicles the broker's activities during the policy year and projects or recommends activities for the remaining and coming policy year. The report should be provided by the County's Program Manager or his designee.

9.2.9 Provide a risk analysis of liability exposures relative to insured facilities/operations to determine the adequacy of insured liability limits and appropriate deductible amounts.

### **9.3 Claims Services**

9.3.1 Manage claims by providing the full range of claims services. This would include, at a minimum, the following:

9.3.11 Review of the adequacy and timeliness of all loss runs and reports and making changes as needed,

9.3.12 Provision of expert assistance on coverage and policy interpretation issues and aggressive assistance to the County in resolving claims and lawsuits to their conclusion,

9.3.13 Attendance at meetings regarding the claims process or relating to any claim or loss submitted under this insurance program.

### **9.4 Other Services**

9.4.1 Provide advisement on other coverages as requested by County.

9.4.2 Provide, with the concurrence or at the request of the County's Program Manager, seminars and training sessions for the benefit of County personnel relating to this insurance program.

## **10.0 CONTRACTOR AVAILABILITY**

10.1 Contractor's claims staff shall be accessible twenty-four hours a day to County Program Manager and/or other County staff for emergency consultation and immediate reporting of losses.

10.2 Contractor shall maintain normal office hours from 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding County and other Contractor's holidays agreed to by County.

## **11.0 CONTRACTOR'S FINANCIAL STATEMENT**

11.1 Contractor shall submit their most current audited financial statements no later than 90 days prior to the annual insurance policy renewal or placement of a new policy. The Contractor will also provide any additional information required



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

by the Auditor-Controller to confirm that the Contractor has the financial capability of maintaining the services necessary for the efficient administration of this insurance program and premium payment.

11.2 County will assess the financial status of the Contractor and assign one of the following ratings: Excellent-Good, Fair or Poor. Based on this assessment, the following actions may be taken by County:

- An Excellent-Good rating - Contractor shall continue to provide a full range of services, including handling of premium and settlement payments.
- A Fair rating - Contractor will provide a Premium Payment Bond for the full amount of the premium and a Performance Bond in the amount of its annual commission as required by the County's Program Manager. Contractor will continue to provide the required services except all premium payments due from County will be directly processed by County to the insurer(s) until the required bonds are provided. If Contractor fails to provide the required bonds, and the County processes the premium payment(s) directly to the insurer(s), the County may withhold up to 5% of Contractor's annual commission to recover all its costs, including administration, to process the premium payment(s).
- A Poor rating - Contractor will fully cooperate with County in transferring these Agreement services to the brokerage firm designated by County. In addition to the remedies provided in Section 24 of this Agreement, Termination for Default of Contractor, Contractor will return to County any unearned commission, as determined by County, within 30 days of receiving notice of a Poor rating.

11.3 In lieu of a current audited financial statement, Contractor must submit a performance bond in the amount of the commission and premium payment bond in the amount of the premium no later than ninety (90) days prior to the annual insurance policy renewal.

### **12.0 CHANGES AND AMENDMENTS**

County reserves the right to change any portion of this Agreement. All changes shall be accomplished as follows only:

- 12.1 For any changes which affect the scope of work, term, compensation, or any provision included in this Agreement, a negotiated Amendment to this Agreement shall be prepared and executed by the Board of Supervisors and the Contractor.
- 12.2 For any change which does not affect the scope of work, term, compensation, or any provision included in this Agreement, a Change Notice shall be prepared and signed by the County's Program Manager and the Contractor's Contract



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

Manager.

### **13.0 TERMINATION FOR CONVENIENCE OF COUNTY**

13.1 Performance of services under this Agreement may be terminated by County in whole or in part when such action is deemed by County to be in its best interest. Termination of work shall be effected by delivery to the Contractor of a ten (10) day prior written Notice of Termination specifying the extent to which the performance of work is terminated and the date upon which such termination becomes effective. Said Notice of Termination shall be given by County Program Manager.

13.2 After receipt of the Notice of Termination and except as otherwise directed by County, the Contractor shall:

13.2.1 Stop services under this Agreement on the date and to the extent specified in the Notice of Termination.

13.2.2 Complete performance of such part of the work as shall not have been terminated by the Notice of Termination.

### **14.0 RECORD RETENTION AND INSPECTION**

14.1 Upon receipt of a written request, the Contractor shall at no cost to County, make available to County and all authorized representatives for examination, audit, excerpt, copy or transcription any pertinent transaction, activity, time card or other record relating to this Agreement. Failure on the part of the Contractor to comply with the provisions of this paragraph shall constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement.

14.2 Such material including books, records, documents, case files and all pertinent cost accounting, financial records, and proprietary data must be kept and maintained for a period of five (5) years after completion of the Agreement.

14.3 Upon expiration or cancellation of this Agreement, copies of all documents, reports, records, case files, correspondence, and work product relating to the Contractor's operations under this Agreement shall be returned to County or to such location as County Program Manager may direct. Contractor agrees that all of the materials described above are the property of County and not of the Contractor herein.

14.4 In the event that records are located outside of a 100 mile radius of the Los Angeles Civic Center area of County of Los Angeles, the Contractor shall reimburse County for County's travel and per diem costs in connection with an inspection or audit.



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

14.5 In the event that an audit specifically regarding this Agreement is conducted by any Federal or State auditor, or any auditor or accountant employed by the Contractor or otherwise, the Contractor shall file a copy of each such audit report with the County Program Manager within thirty (30) days after the Contractor's receipt thereof.

### **15.0 ADJUSTMENT TO PAYMENTS FOLLOWING AUDIT**

If, at any time during the term of this Agreement or five (5) years after the expiration or termination of this Agreement, authorized representatives of County conduct an audit of the Contractor regarding the services provided to County hereunder, and if as a result of such audit it is determined that the County's liability for such services is less than payments made by County to the Contractor, then the Contractor agrees that the difference, at the County's option, shall be either: 1) repaid forthwith by the Contractor to County by cash payment, or 2) credited against any future payments due hereunder to the Contractor. If, as a result of such audit, it is determined that the County's liability for compensation for services provided hereunder is more than payments made by County to the Contractor, then the difference shall be paid to the Contractor by County provided that in no event shall the County's maximum obligation exceed the amount appropriated by the Board of Supervisors.

### **16.0 LIMITATION OF THE COUNTY'S OBLIGATION DUE TO NON-APPROPRIATION**

The County's obligation is payable only and solely from funds appropriated for the purpose of this Agreement. All funds for payments after June 30 of the current fiscal year are subject to the County's legislative appropriation for this purpose. Payments during subsequent fiscal periods are dependent upon the same action. In the event this Agreement extends into succeeding fiscal year periods, and, if the Board of Supervisors does not allocate sufficient funds for the next succeeding fiscal year's payments, then the affected equipment and/or services shall be terminated as of June 30 of the then current fiscal year. County shall notify the Contractor in writing of such non-allocation at the earliest possible date.

### **17.0 INDEPENDENT CONTRACTOR STATUS**

This Agreement between County and the Contractor is not intended and shall not be construed to create a relationship of agent, servant, employee, joint venture, or association as between County and the Contractor. The Contractor understands and agrees that all persons furnishing services to County pursuant to this Agreement are, for all purposes and in particular for purposes of Workers' Compensation liability, employees solely of the Contractor and not employees of County. The Contractor shall bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person for injuries arising from or connected with services performed on behalf of the Contractor pursuant to this Agreement.



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

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### **18.0 INDEMNIFICATION**

Contractor shall indemnify, defend and hold harmless County, and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

### **19.0 INSURANCE**

**19.1 General Insurance Requirements:** Without limiting Contractor's indemnification of County and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its sub-contractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's own expense.

**19.1.1 Evidence of Insurance:** Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to the County's Contract Manager prior to commencing services under this Agreement. Such certificates or other evidence shall:

- 19.1.1.1 specifically identify this Agreement.
- 19.1.1.2 clearly evidence all coverages required in this Agreement.
- 19.1.1.3 contain the express condition that County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.
- 19.1.1.4 include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as additional insureds for all activities arising from this Agreement.
- 19.1.1.5 identify any deductibles or self-insured retentions for County's approval. The County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

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- 19.1.2      **Insurer Financial Ratings:** Insurance is to be provided by an insurance company acceptable to the County with an A.M. Best rating of not less than A:VIII, unless otherwise approved by County.
- 19.1.3      **Failure to Maintain Coverage:** Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of the contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.
- 19.1.4      **Notification of Incidents, Claims or Suits:** Contractor shall report to County:
  - 19.1.4.1      any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within 24 hours of occurrence.
  - 19.1.4.2      any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.
  - 19.1.4.3      any injury to a Contractor employee which occurs on County property. This report shall be submitted on a County "Non-employee Injury Report" to the County contract manager.
  - 19.1.4.4      any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to Contractor under the terms of this Agreement.
- 19.1.5      **Compensation for County Costs:** In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

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- 19.1.6 **Insurance Coverage Requirements for Sub-contractors:** Contractor shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:
- 19.1.6.1 Contractor providing evidence of insurance covering the activities of sub-contractors, or
  - 19.1.6.2 Contractor providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.
- 19.1.7 **Insurance Coverage Requirements for Contractors:** The Contractor shall maintain the following programs of insurance.
- 19.1.7.1 **General Liability** insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:
    - General Aggregate: \$2 million
    - Products/Completed Operations Aggregate: \$1 million
    - Personal and Advertising Injury: \$1 million
    - Each Occurrence: \$1 million
  - 19.1.7.2 **Automobile Liability** insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all “owned”, “hired” and “non-owned” vehicles, or coverage for “any auto”.
  - 19.1.7.3 **Workers Compensation and Employers’ Liability** insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible. If Contractor’s employees will be engaged in maritime employment, coverage shall provide workers compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which Contractor is responsible.



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

- 19.1.7.4 **Professional Liability:** Insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of not less than \$10 million per claim and \$10 million aggregate. The coverage also shall provide an extended two year reporting period commencing upon termination or cancellation of this Agreement.

### **19.1.8 Basic Health Insurance and Benefits:**

The Contractor will provide basic health coverage for employees of the Contractor who perform work under the provisions of this Agreement.

## **20.0 COVENANT AGAINST CONTINGENT FEES**

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee excepting bona fide employees or bona fide established commercial or selling agents maintained by Contractor for the purpose of securing business. For breach or violation of this warranty, County shall have the right to terminate this Agreement and, in its sole discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

## **21.0 GOVERNING LAWS AND VENUE**

This Contract shall be governed by and construed in accordance with and governed by the laws of the State of California.

Any reference to a specific statute, regulation, or other law is deemed to include a reference to any amendment thereto as of the effective date of such amendment; further, this Contract shall be interpreted, and the parties' duties and obligations under this Contract shall be consistent with, any amendment to any applicable statute, regulation, or any other law which occurs after the effective date of this Contract.



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

When an action is brought by either party to this Contract, the action shall be brought in the Central District of the Los Angeles County Superior Court or the Central Civil Division of the Los Angeles Municipal Court.

### **22.0 COMPLIANCE WITH LAWS**

22.1 The Contractor agrees to comply with all applicable Federal, State and local laws, rules, regulations and ordinances, and all provisions required thereby to be included herein, are hereby incorporated by this reference.

22.2 The Contractor shall indemnify, defend and hold harmless County from any loss, damage or liability resulting from a violation on the part of the Consultant of such laws, rules, regulations and ordinances.

### **23.0 SUBCONTRACTING**

23.1 No performance of this Agreement or any portion thereof may be subcontracted by the Contractor without the express written consent of County. Any attempt by the Contractor to subcontract any performance of the terms of this Agreement without the express written consent of the County shall be null and void and shall constitute a breach of the terms of the Agreement. In the event of such a breach, the Agreement may be terminated forthwith. The County's determination of whether to approve the Contractor's request to subcontract shall be completely within the discretion of the County.

23.2 Subcontracts shall be made in the name of the Contractor and shall not bind nor purport to bind the County. The making of subcontracts hereunder shall not relieve the Contractor of any requirement under the Contract, including, but not limited to, the duty to properly supervise and coordinate the work of subcontractors. Approval of the provisions of any subcontract by the County shall not be construed to constitute a determination of the allowability of any cost under the Contract. In no event shall approval of any subcontract by the County be construed as effecting any increase in the amount provided for in the Contract. The Contractor's request for approval to enter into a subcontract shall include:

- 23.2.1 A description of the service to be provided by the proposed subcontractor;
- 23.2.2 Identification of the proposed subcontractor and an explanation of why and how it was selected, including the degree of competition obtained;
- 23.2.3 An indication whether the proposed subcontractor's firm is a minority, women-owned, disadvantaged, or disabled veterans business enterprise;



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

23.2.4 A resume of the potential subcontractor's background and experience.

23.3 In the event that the County should consent to subcontracting, the Contractor shall include, in all subcontracts, the following provision: *"This Contract is a subcontract under the terms of a prime contract with the County of Los Angeles. All representations and warranties shall inure to the benefit of the County of Los Angeles."*

### **24.0 TERMINATION FOR DEFAULT OF CONTRACTOR**

24.1 County may, subject to the provisions outlined below, by written notice of default to the Contractor, terminate immediately the whole or any part of this Agreement if the Contractor fails to perform any material provision of this Agreement, or so fails to make sufficient progress as to preclude completion of performance of this Agreement in accordance with its terms, and in either of these two circumstances does not remedy such failure within a period of ten (10) calendar days (or such longer period as County may authorize in writing) after receipt of notice from County specifying such failure.

24.2 In the event the Agreement is terminated for default, then the Contractor agrees to pay County all additional costs incurred by County, as determined by County for replacing the Contractor's services. In addition to the foregoing, Contractor shall be liable for consequential damages arising from the Contractor's failure to perform in all cases except where failure to perform arises out of causes beyond the control and without fault or negligence of the Contractor.

24.3 If, after notice of termination of this Agreement, it is determined for any reason that the Contractor was not in default under the provisions of this clause or that the default was excusable, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to the clause entitled "Termination for Convenience of County."

### **5.0 DELEGATION AND ASSIGNMENT**

The Contractor shall not delegate its duties nor assign its rights hereunder, either in whole or in part, without the prior written consent of County.

25.1 Any delegation of duties shall be in the form of a subcontract. The Contractor's request to County, for approval to enter into a subcontract shall include:

25.1.1 A description of the services to be provided by a proposed subcontractor.



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

- 25.1.2 Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected.
- 25.1.3 The proposed subcontract amount, together with the Contractor's cost or price analysis thereof.
- 25.1.4 A copy of the proposed subcontract. Any later modification or amendment of such subcontract shall be approved in writing by County before such modification or amendment is effective.

### **26.0 TERMINATION FOR IMPROPER CONSIDERATION**

County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to County manager charged with the supervision of the employee or to County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

### **27.0 DISCLOSURE OF INFORMATION**

The Contractor shall not disclose any details in connection with this Agreement to any party, except as may be otherwise provided herein or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, County shall not inhibit the Contractor from publicizing its role under this Agreement within the following conditions:

27.1 The Contractor shall develop all publicity material in a professional manner.

27.2 During the course of performance of this Agreement, the Contractor, its employees, agents, and subcontractors shall not publish or disseminate commercial advertisements, press releases, opinions or feature articles, using the name of County without the County's prior consent.



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

27.3 The Contractor shall not possess any interest, title, or right to any County case data or records. The Contractor is prohibited from disclosing any identified or unidentified raw County data to any other party, or from combining any identified or unidentified raw County data with that of any other Contractor client or other party into any database or report format for any purpose whatsoever without the expressed, written authorization of County.

### **28.0 NOTICE OF DELAYS**

Except as otherwise expressly provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within five (5) working days, give notice thereof, including all relevant information with respect thereto, to the other party.

### **29.0 VALIDITY**

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

### **30.0 WAIVER**

No waiver of a breach of any provision of this Agreement by County shall constitute a waiver of any other breach of said provision or any other provision of this Agreement. Failure of County to enforce at any time, or from time to time, any provision of this Agreement, shall not be construed as a waiver thereof.

### **31.0 DEFAULT FOR INSOLVENCY**

31.1 County may cancel this Agreement for default in the event of the occurrence of any of the following:

- 31.1.1           Insolvency of the Contractor. The Contractor shall be deemed insolvent if it has ceased to pay its debts in the ordinary course of business or cannot pay its debts as they become due, whether it has committed an act of bankruptcy or not, and whether insolvent within the meaning of the Federal Bankruptcy Law or not.
- 31.1.2           The filing of a voluntary petition to bankruptcy.
- 31.1.3           The appointment of a Receiver or Trustee for the Contractor.



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

31.1.4 The execution by the Contractor of an assignment for the benefit of creditors.

31.2 The remedies reserved to County herein shall be cumulative and additional to any other remedies provided by this Agreement, at law, and/or in equity.

### **32.0 NOTICES**

32.1 Notices required or permitted to be given under the terms of this Agreement or by any law now or hereafter in effect may, at the option of the party giving notice, be given by personal delivery or by enclosing the same in a sealed envelope addressed to the party for whom intended and by depositing such envelope with postage prepaid in the United States Post Office or substation thereof, or any public mail box. Any such notice and the envelope containing same shall be addressed to the Contractor at its place of business as designated at the address set forth in Section 7.0 of this Agreement or such other place as may be hereinafter designated in writing by the Contractor.

The notices and envelopes containing same to County shall be addressed to:

Delta Uyenoyama, Chief  
Risk Management Operations, CAO  
500 West Temple Street, Room 796  
Los Angeles, California 90012

32.2 Notice by personal delivery shall be deemed effective upon receipt and notice by mail shall be deemed effective by five (5) business days after placed in the mail.

32.3 In the event of suspension or termination of this Agreement, notices may also be given upon personal delivery to any person whose actual knowledge of such suspension or termination would be sufficient notice to the Contractor.

### **33.0 NON-EXCLUSIVE AGREEMENT**

This is a non-exclusive Agreement. County reserves the right to Agreement with any and all successful proposers for the same or similar services.

### **34.0 NON-DISCRIMINATION IN EMPLOYMENT**

34.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally by it without regard to or because of race, color, religion, ancestry, national origin, sex, age, condition of physical or mental handicap, marital status, or political



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affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

- 34.2 The Contractor shall take affirmative action to ensure that qualified applicants are employed and that employees are treated during employment without regard to race, color, religion, sex, ancestry, national origin, age or condition of physical or mental handicap or marital status, or political affiliation. Such action shall include but is not limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.
- 34.3 The Contractor shall deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, condition of physical or mental handicap, marital status, or political affiliation.
- 34.4 The Contractor shall allow the County's representative access to its employment records during regular business hours to verify compliance with the provisions of this section when so requested by County.
- 34.5 If County finds that any of the above provisions have been violated, the same shall constitute a material breach of Agreement upon which County may cancel, terminate, or suspend this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated State or Federal anti-discrimination laws or regulations shall constitute a finding by County that the Contractor has violated the anti-discrimination provisions of this Agreement.

### **35.0 NON-DISCRIMINATION IN SERVICES**

The Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex or age in accordance with all applicable requirements of Federal and State law.

- 35.1 For the purpose of this section, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of a facility; providing any service or benefit to any person which is different or is provided in a different manner or at a different time from that provided to others; subjecting any person to segregation or separate treatment in any manner related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service; treating any person



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

differently from others in determining admission, enrollment quota, eligibility, membership or any other requirement or condition which persons must meet, in order to be provided any service or benefit.

35.2 The Contractor shall take positive steps to ensure that claimants are provided services without regard to race, color, religion, national origin, ancestry, sex, or age.

### **36.0 ASSURANCE OF COMPLIANCE WITH CIVIL RIGHTS LAWS**

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000e through 2000e (17), to the end that no person shall, on grounds of race, creed, color, sex, national origin, age, condition of mental or physical handicap, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.

### **37.0 COMPLIANCE WITH LAWS**

37.1 The Contractor agrees to comply with all applicable Federal, State and local laws, rules, regulations and ordinances, and all provisions required thereby to be included herein, are hereby incorporated by this reference.

37.2 The Contractor shall indemnify, defend and hold harmless the County from any loss, damage or liability resulting from violation on the part of the Consultant of such laws, rules, regulations and ordinances.

### **38.0 CONFLICT OF INTEREST**

The Contractor represents and warrants that no County employee whose position in County enables him/her to influence the award of this Agreement, and no spouse or economic dependent of such employee is or shall be employed in any capacity by the Contractor herein or does or shall have any direct or indirect financial interest in this Agreement.

### **39.0 CONFIDENTIALITY**

The Contractor shall maintain the confidentiality of all its records, including but not limited to billing, County records, case records and patient records, in accordance with all applicable Federal, State and local laws, regulation, ordinances and directives relating to confidentiality. The Contractor shall inform all of its officers, employees, and agents providing services hereunder of the confidentiality provisions of this Agreement. As a condition of employment, all employees of the Contractor must sign and adhere to the attached "Contractor/Employee Acknowledgment and



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Confidentiality Agreement" (Exhibit VII). The Confidentiality Agreement shall be filed in the Contractor's personnel records for the employee and Contractor shall provide a copy upon request by County.

### **40.0 AUTHORIZATION WARRANTY**

The Contractor represents and warrants that the signatory to this Agreement is fully authorized to obligate the Contractor hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

### **41.0 LICENSES, PERMITS, REGISTRATIONS AND CERTIFICATES**

The Contractor shall obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates, if any, required by law, which are applicable to the performance of this Agreement, and shall further ensure that all of its officers, employees and agents who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates required by law which are applicable to their performance of services hereunder.

### **42.0 CONTRACTOR'S OFFICE**

The Contractor shall notify the County's Program Manager in writing of the Contractor's intent to move and change its business location, at least thirty (30) calendar days prior to the effective date.

### **43.0 UNLAWFUL SOLICITATION**

43.1 The Contractor shall inform all of its employees performing services hereunder of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with section 6150) of the California Business and Professions Code (i.e., State Bar Act provisions regarding unlawful solicitations as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of such provisions by its employees.

43.2 The Contractor shall inform all of its officers, employees, and agents performing services hereunder of the provisions of Labor Code Section 3219. As a condition of employment, all employees of the Consultant must sign and adhere to the attached "Contractor/Employee Acknowledgment and Confidentiality Agreement" (Exhibit VII).



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

### **44.0 IMPROPER ACTS OR FAILURE TO ACT**

The Contractor shall reimburse County for overpayments, fines, penalties, attorneys' fees, interest, medical costs, rehabilitation costs and retroactive or excessive periods of compensation which County paid or is required to pay as a result of consultant's act(s) and/or omission(s) which violate any provision of this agreement, the provisions of the Labor Code, or the provisions of the California Code of Regulations (Title 8), or which fail to comply with the general standards of care and generally accepted practices in the workers' compensation claims administration industry.

The Contractor shall not be required to reimburse County if the Contractor's act(s) and/or omission(s) resulted from following express instructions from an authorized County representative.

### **45.0 COUNTY LOBBYIST ORDINANCE**

The Contractor and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which County may immediately terminate or suspend this Agreement.

### **46.0 COUNTY'S RIGHT TO RENEGOTIATE AGREEMENT**

County retains the right to renegotiate the terms, conditions and fees during the period of the Agreement if such renegotiation is necessitated by budget shortfalls and reductions.

### **47.0 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFFS**

Should the Contractor require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified permanent County employees who are targeted for layoff after the effective date of this Agreement.

### **48.0 CONSIDERATION OF GREATER AVENUES FOR INDEPENDENCE (GAIN) OR GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR EMPLOYMENT**

Should Contractor require additional or replacement personnel after the effective



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

date of this Agreement, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenue for Independence (GAIN) Program or General Relief Opportunities for Work (GROW) Program who meet Contractor's minimum qualifications for the open position. County will refer GAIN/GROW participants by job category to the Contractor.

### **49.0 COUNTY'S QUALITY ASSURANCE PLAN**

County or its agent will evaluate Contractor's performance under this agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all Agreement terms and performance standards. Contractor deficiencies which County determines are severe or not corrected will be reported to the Board of Supervisors. The report will include improvements/corrective action measures taken by County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this agreement or impose other penalties as specified in this agreement.

### **50.0 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM**

Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through Agreement are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

### **51.0 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM**

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 50.0, "Contractor's Warranty of Adherence to County's Child Support Compliance Program", shall constitute a default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure to cure such default within 90 days of notice by



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the Los Angeles County District Attorney shall be grounds upon which County Board of Supervisors may terminate this agreement pursuant to Paragraphs 24.0 - 24.3, "Termination for Default of Contractor."

### **52.0 NOTICE TO EMPLOYEES REGARDING THE FEDERAL INCOME CREDIT**

Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the federal Earned income credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

### **53.0 GRATUITIES**

It is improper for any County officer, employee or agent to solicit consideration, in any form, from a Proposer with the implication, suggestion or statement that the Proposer's provision of the consideration may secure more favorable treatment for the Proposer in the award of this Contract or that the Proposer's failure to provide such consideration may negatively affect the County's consideration of the Proposer's submission. A Proposer shall not offer or give, either directly or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of this Contract.

### **54.0 PROPRIETARY RIGHTS**

The County and the Contractor agree that all software, materials, data and information developed under this Contract shall become the sole property of the County, provided that the Contractor may retain possession of all working papers prepared by the Contractor. During any subsequent to the term of this Contract, the County shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.

### **55.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT**

55.1 A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to perform the contract. It is the County's policy to conduct business only with responsible contractors.

55.2 The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the contract, debar the Contractor from bidding on County contracts for a specified period of time not to exceed three years, and terminate any or all



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existing contracts the Contractor may have with the County.

55.3 The County may debar a contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated any term of a contract with the County, (2) committed any act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

55.4 If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

55.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred, and , if so, the appropriate length of time of the debarment. If the Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the Contractor may be deemed to have waived all rights of appeal.

55.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.

55.7 These terms shall also apply to subcontractors of County Contractors.

### **56.0 RECYCLED BOND PAPER**

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

### **57.0 COMPLIANCE WITH WAGE AND HOUR LAWS/FAIR LABOR STANDARDS ACT**

The Contractor shall comply with all wage and hour laws and all applicable provisions of the Federal *Fair Labor Standards Act*, and shall indemnify, defend, and hold harmless the County, its agents officers and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties,



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court costs, and attorney's fees arising under any wage and hour law including, but not limited to, the Federal *Fair Labor Standards Act* for services performed by the Contractor's employees for which the County may be found jointly or solely liable.

### **58.0 WARRANTY**

The Contractor warrants that all services performed hereunder will comply with those responsibilities outlined in Section 9 *Contractor Services*, of this Agreement and Exhibit B *Contractors Proposal*, incorporated herein, any specifications related hereto, and that all such services shall be performed in accordance with the ordinary skill and care observed in the industry by those knowledgeable, trained and experienced in rendering similar services at the time such services are performed.

The Contractor shall, within twenty-four (24) hours after oral or written notice from the County, correct any and all defects, deficiencies, errors or omissions in services rendered to the County. The correction of such defects, deficiencies, errors or omissions shall be at no cost to the County.

### **59.0 LIQUIDATED DAMAGES**

If Contractor fails to provide the cost and coverage as proposed, Contractor agrees to pay the County all costs, as determined by the County, to remedy the coverage to the satisfaction of the County's Program Manager and may be assessed up to 20% of the annual commission as determined by the County's Program Manager.

If Contractor fails to perform agreed services or perform such services within the time specified in accordance with the terms of this Contract, County shall reduce Contractor's billing by an amount to be determined by the County Program Manager but not to exceed 20% of the annual commission for each noted deficiency.

As provided under this Agreement, County's Program Manager shall serve written notice upon Contractor of any deficiency noted. Contractor shall have up to ten (10) calendar days after receipt of deficiency notice to remedy the deficiency before liquidated damages are assessed.

### **60.0 COMPLIANCE WITH JURY SERVICE PROGRAM**

#### **60.1 Jury Service Program:**

This Agreement is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

#### **60.2 Written Employee Jury Service Policy:**



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- 60.2.1 Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
- 60.2.2 For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if: 1. The lesser number is recognized industry standard as determined by the County, or 2. Contractor has a long-standing practice that defines the lesser number of hours as full time. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Services Program shall be attached to the agreement.
- 60.2.3 If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its 'exception status' from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.
- 60.2.4 Contractor's violation of this Section of the contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.



## **AIRPORT/AVIATION HULL AND LIABILITY INSURANCE PROGRAM**

IN WITNESS THEREOF, the Board of Supervisors of County of Los Angeles has caused this Agreement to be subscribed by its Chairman and the seal of such Board to be hereto affixed, and attested to by the Executive Officer-Clerk thereof, and the CONTRACTOR has caused this Agreement to be subscribed to on its behalf by its duly authorized officer, the day, month and the year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Chair, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS,  
Executive Officer  
Clerk of the Board of Supervisors  
County of Los Angeles

By: \_\_\_\_\_ AON RISK SERVICES, INC.  
Deputy

By: \_\_\_\_\_  
Richard Windebank  
Senior Vice President  
Title

APPROVED AS TO FORM:  
Lloyd W. Pellman  
County Counsel

By \_\_\_\_\_  
Donovan M. Main  
Senior Assistant County Counsel